



## CONNECTICUT ALTERNATIVE MINIMUM TAX

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### ISSUE

What is the Connecticut alternative minimum tax (AMT) and how does it relate to the federal AMT?

### SUMMARY

The Connecticut AMT is a tax imposed on certain individuals, estates, and trusts in addition to the personal income tax. It applies to taxpayers who are subject to, and required to pay, the federal AMT, which Congress enacted in 1969 to prevent taxpayers from avoiding tax liability by using tax avoidance techniques (i.e., exclusions, deductions, and credits). It parallels the federal income tax and sets a floor on total tax liability. Taxpayers generally calculate their income tax liability according to AMT rules and if the tax under those rules turns out to be higher than their regular income tax, they must pay the difference as AMT ("[Alternative Minimum Tax](#)," Tax Policy Center).

The Connecticut AMT is calculated based on a percentage of a taxpayer's federal AMT or federal alternative minimum taxable income, after applying certain Connecticut modifications. Taxpayers whose Connecticut AMT exceeds their regular Connecticut income tax liability must pay the difference (CGS § 12-700a).

### CALCULATING THE CONNECTICUT AMT

The starting point for calculating the Connecticut AMT is a taxpayer's federal alternative minimum taxable income (i.e., their taxable income calculated under federal AMT rules) ([Form 6251](#)). The taxpayer applies certain additions and subtractions to this amount to arrive at his or her adjusted federal alternative minimum taxable income. The taxpayer then uses this adjusted income figure to recalculate his or her allowable exemption and tentative minimum tax under federal AMT rules. The result is the taxpayer's adjusted federal tentative minimum tax ([Form CT-6251](#)).

The Connecticut AMT is the lesser of 19% of the adjusted federal tentative minimum tax or 5.5% of the adjusted federal alternative minimum taxable income. Taxpayers whose Connecticut AMT exceeds their regular Connecticut income tax liability must pay the difference.

Connecticut full- and part-time residents may take a credit against their Connecticut AMT for AMT paid to another state, political subdivision, or the District of Columbia on income derived from or connected with sources within the qualifying jurisdiction. In addition, taxpayers who pay the tax may claim a credit against their regular Connecticut income tax for CT AMT paid in a prior year. Any unused credit or portion of a credit may be carried forward until it is completely used.

For your further information, this informational publication from the Department of Revenue Services provides answers to commonly-asked questions about the Connecticut AMT: <http://www.ct.gov/drs/cwp/view.asp?a=1510&q=309570>.

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